

2/13/78 [1]

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FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
Letter	Georgia Gates to Pres. Carter, 4 pp., re:personal matter	2/13/78	C
Memo	Andrew Young to Pres. Carter, 1 pg., re:UN activity <i>opened 6/1/92</i>	1/10/78	A

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THE PRESIDENT'S SCHEDULE

Monday - February 13, 1978

7:45 Dr. Zbigniew Brzezinski - The Oval Office.

8:15 Mr. Frank Moore - The Oval Office.

9:00 Cabinet Meeting. (Mr. Jack Watson).
(2 hrs.) The Cabinet Room.

11:30 Mr. Jody Powell - The Oval Office.

~~CONFIDENTIAL~~

February 10, 1978

TO: President Carter
THROUGH: Rick Hutcheson
FROM: Ambassador Young - USUN
SUBJECT: U.S. Mission to the United Nations Activities
February 1 - 8

1. RHODESIA

The Malta exchange among the U.S., U.K. and the Patriotic Front can be described as a limited success. It provided sufficient dialogue to maintain interest in continuing the effort to pursue the Anglo-American proposal on Rhodesia. Staying at the same hotel as the Patriotic Front delegation also afforded us the opportunity to meet informally with them.

2. NAMIBIA

On behalf of the Contact Group, the Mission provided copies of the Western Five proposal on Namibia to Secretary General Waldheim and to SWAPO's U.N. Representative. We have been engaged in preparations for the proximity talks which begin at the Mission February 9. The Foreign Ministers of the Western Five nations will meet concurrently at the Mission with South African Foreign Minister Botha and SWAPO President Sam Nujoma over the weekend.

3. SECURITY COUNCIL

As the USSR assumed the Presidency of the Council for the month of February, Soviet Ambassador Troyanovsky held individual consultations with members of the Security Council. In discussions with him about the program of work for the month, Ambassador Troyanovsky said that the Chadian complaint about Libyan aggression in the Northern part of Chad would receive priority attention. We expect that the Council will also take early action on establishing the machinery for a South African Arms Embargo Watchdog Committee.

4. HUMAN RIGHTS

The 34th Session of the Human Rights Commission began its work in Geneva February 6. Edward Mezvinsky, the U.S. Commissioner for Human Rights will head our Delegation which also includes Mrs. Coretta Scott King and Cesar Chavez. Ambassador Allard K. Lowenstein is in Europe on a USIA-sponsored human rights speaking tour. Among the cities he will visit are Istanbul, East Berlin, and Warsaw.

5. AMBASSADOR YOUNG'S OTHER MEETINGS

Ambassador Young addressed the National Peace Academy in Washington, February 6.

CONFIDENTIAL

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E.O. 12958, Sec. 3.4
PER 4/2/92 Sdk HRE MR-NLC-91-104
BY [Signature] NARS, DATE 5/11/92

THE WHITE HOUSE
WASHINGTON

February 13, 1978

Stu Eizenstat

The attached was returned in the President's outbox today and is forwarded to you for your information. The signed original has been given to Bob Linder for appropriate handling.

Rick Hutcheson

cc: Bob Linder

RE: PRESIDENTIAL MEMORANDUM TO
AGENCY HEADS ON SUMMER EMPLOYMENT

THE WHITE HOUSE
WASHINGTON

<input type="checkbox"/>	FOR STAFFING
<input type="checkbox"/>	FOR INFORMATION
<input checked="" type="checkbox"/>	FROM PRESIDENT'S OUTBOX
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ACTION	FYI	
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<input type="checkbox"/>	EXECUTIVE ORDER
Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day	

<input type="checkbox"/>	ARAGON
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<input type="checkbox"/>	VOORDE
<input type="checkbox"/>	WARREN

THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR THE PRESIDENT

FROM: STU EIZENSTAT *Stu*
STEVE SIMMONS *Steve*

SUBJECT: Presidential Memorandum to Agency
Heads on Summer Employment

Each summer, the Civil Service Commission administers a number of hiring programs for young people under its Federal Summer Employment Program for Youth. Participants in the Program are selected via written testing, agency staffing plans, and special efforts to recruit needy youngsters. The goal of employing one needy youth for every forty regular employees has been set in prior years, and the Commission has this goal again for this year's program. (A statistical summary of the Program for 1976 and 1977 is attached.)

Chairman Campbell has requested that you formally launch the 1978 Program by issuing the attached memorandum of support to heads of departments and agencies. He would like to include copies of the memorandum with Program materials sent to the agencies in early March. Campbell points out that the Summer Program has provided job opportunities for over 80,000 young people annually in recent years, and believes that an endorsement by you will contribute to its continued success.

We recommend you sign the attached memorandum.

25-3
2-13-78

CIVIL SERVICE COMMISSION
SUMMARY
OF THE
FEDERAL SUMMER EMPLOYMENT PROGRAM

This report summarizes data provided by agencies concerning the 1977 Summer Employment Program. During the period May 13, 1977 through September 30, 1977, agencies reported total employment of 84,170 temporary workers. This represents a decrease of 5,580 appointments when compared with the 89,750 reported in 1976, though agencies met the goal of one needy youth for every forty regular employees. A summary by program for the past two summers is listed below:

GOVERNMENT-WIDE

	1976	1977
(1) Needy Youths:		
- Summer Aids	36,176	35,131
- Stay-in-School Program	15,898	13,898
- Federal Junior Fellowship	<u>1,524</u>	<u>1,509</u>
Total	53,598	50,538
(2) Merit Staffing:		
- Summer Examination	6,955	8,671
- Agency Merit Staffing Plans	28,586	24,198
- Federal Summer Interns	<u>611</u>	<u>763</u>
Total	36,152	33,632

THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR THE HEADS OF

DEPARTMENTS AND AGENCIES

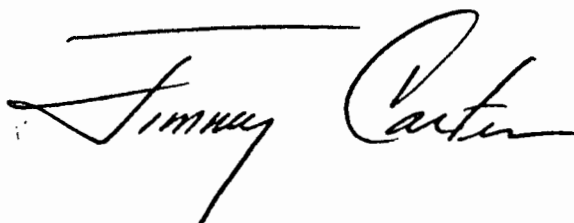
When schools throughout the Nation close for the summer, many young men and women will be seeking summer jobs. This year, due to the high degree of unemployment among youth, Federal managers, and employers in the private sector, must increase their efforts to provide meaningful employment experiences for young Americans.

Through summer employment, young people will have opportunities to apply what they have learned in the classroom. For many, summer employment will enable them to earn funds necessary to return to school in the fall.

I am asking each of you to personally support the Federal Summer Employment Program for Youth. In selecting students to work in the Federal Government, we must ensure that special efforts are made to attract needy young people. For this reason, we are again setting an employment goal of one needy youth for every forty regular employees.

Chairman Alan K. Campbell and his staff at the Civil Service Commission will provide leadership to the Summer Employment Program, and will report to me on our accomplishments. Commission staff will soon be providing you with more details on the program.

I urge each of you to take full advantage of this opportunity.

A handwritten signature in dark ink, reading "Jimmy Carter". The signature is written in a cursive, flowing style. The first name "Jimmy" is written with a large, sweeping initial "J" that extends upwards and to the left. The last name "Carter" is written in a more compact, cursive script.

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THE WHITE HOUSE

WASHINGTON

February 13, 1978

Jack Watson

The attached was returned in the President's
outbox today and is forwarded to you
for appropriate handling.

Rick Hutcheson

RE: COORDINATION OF FEDERAL ASSISTANCE TO
NEW YORK CITY

THE WHITE HOUSE
WASHINGTON

Jack
ok
J

THE WHITE HOUSE

WASHINGTON

February 11, 1978

MEMORANDUM FOR MEMBERS OF THE CABINET

FROM: Jack Watson *Jack*
SUBJECT: COORDINATION OF FEDERAL
ASSISTANCE TO NEW YORK CITY

At the February 6, 1978 Cabinet meeting, the President said that it was particularly important for us to coordinate all Federal Government activities relating to New York City while our policy on additional assistance for the City (after the expiration of the Seasonal Financing Act on June 30, 1978) is being worked out. The President asked that you "coordinate any proposed actions affecting the situation with Mr. Blumenthal and him."

Pursuant to the President's request, would you please notify me at least a week in advance in the event of:

- (1) Any change in an existing program that may result in either an increase or decrease in funds for New York City over present levels; or
- (2) Initiation of any new program that may result in additional funds being made available to the City.

This advance notification will enable us to assess and deal with the situation in a more comprehensive and effective way.

Thank you.

cc: Stuart Eizenstat

THE WHITE HOUSE
WASHINGTON

2/13/77

To Jack Watson

By noon Tuesday
2/14 let me have
The time table &
recommendations re
action & public
statements on the
coal strike.

J. C.

cc Ray - Frank
Jim - Charlie
Stu
Ham

766

THE WHITE HOUSE

WASHINGTON

February 13, 1978

Jack Watson

The attached was returned in the President's outbox and is forwarded to you for appropriate handling. The signed original has been given to Stripping for mailing.

Rick Hutcheson

Pat - I'm giving you your carbon's back to distribute.

LETTER TO CARDINAL COOKE -- REVITALIZATION
OF THE SOUTH BRONX

cc: The First Lady
Stripping

THE WHITE HOUSE
WASHINGTON

February 10, 1978

TO: The President

Attached is a letter from the Archbishop of New York, Terence Cardinal Cooke, together with a proposal of the Bronx Church Coalition for the revitalization of the South Bronx. A suggested response is also attached for your signature.

Jack Watson

Attachments

RESPONSE

CARDINAL'S LETTER
AND PROPOSAL

CARDINAL'S RESIDENCE
452 MADISON AVENUE
NEW YORK, N. Y. 10022

cc
Ros
J

January 31, 1978

Dear Mr. President:

Your welcome visit to the South Bronx in October, 1977 has done more to raise the hopes of the long forgotten people of the South Bronx than any other single event in their recent history. Considering the fiscal plight of New York City and New York State, there does not appear to be any stimulus other than the Federal Government which can really turn the South Bronx around and make it a living space worthy of the God-given dignity and respect of its struggling people.

The rebuilding of the cities of our country and their neighborhoods is, indeed, an awesome challenge and one that calls on your administration to be extremely innovative and doggedly persistent in seeing that the rebuilding is achieved for the benefit of the people.

The people of the South Bronx do not feel that the South Bronx can be revitalized by using old approaches. If the concept is just one of brick and mortar accompanied by the creation of industrial parks to help the unemployed and to aid small businesses, the South Bronx will not survive. The South Bronx needs to be a unique demonstration project, - one that will put greatest emphasis on the development of people and the eventual ownership by people of their own homes, apartments and buildings.

The Churches at the grass roots in the South Bronx are made up of men and women who have dedicated their adult education programs to the training of tenants and to the development of techniques to establish neighborliness among new neighbors and to prepare tenants for eventual ownership. If the experiences of these Churches and their programs of people development are not part of the administration's concept for revitalization in the South Bronx, then we feel that all the efforts and laudable intentions of so many people will be largely in vain.

Undoubtedly, this approach requires new initiatives and novel approaches to capital funding for real estate development. Our Churches feel that this is most important because, in their experiences, limited dividend and tax shelter approaches do not necessarily leave eventual ownership in the hands of the people.

I enclose the working paper, "What Must Be Done To Rebuild The South Bronx" which was submitted to your staff in November, 1977 which states the convictions of the South Bronx Churches, that aside from industrial parks, training programs for real jobs and community sponsorship, there must be incorporated constructive programs to enable and empower a people whose human initiatives have been atrophied by years of apathetic lack of participation in decisions that affect their lives and the lives of their children and families.

The pledge of cooperation, support and participation contained in the attached statement by the Bronx Church Coalition is a serious commitment which deserves to be taken as seriously as their plea for a true dimension in joint efforts to redevelop the South Bronx. These are worthy collaborators in the labor you have given your Task Force.

With gratitude for your leadership in this matter and assuring you of our prayerful support, I am

Very sincerely yours,

Archbishop of New York

The Honorable Jimmy Carter
The White House
Washington, D. C. 20500

WHAT MUST BE DONE TO REBUILD THE SOUTH BRONX

South Bronx Area: North- Fordham Rd., East- Bronx River Pkway,
South- Willis Ave. Bridge, West- Harlem River.

This is not the first attempt by the federal government to rebuild the South Bronx. We can look back to the poverty programs and Model Cities Programs into which the government poured nearly a billion dollars. Still, the situation has worsened in housing and almost every other area in the South Bronx including employment, health services and schools. One reason for this great failure is that monies were constantly "ripped off" by a small number of people, some of whom live in the area and some of whom do not. Another reason is that there has been very little community development or people training in how to manage, organize, and own buildings. In order to guard against failure this time, as the federal government again plans to make money available to improve housing in the South Bronx, we, a representative Church Coalition in the South Bronx, make the following recommendations:

ECONOMIC BASE - JOBS

Good paying jobs are a key to maintaining good housing in a community. Jobs at standard wages in any construction done in the South Bronx must be made available principally to people who live in this community, i.e. 7 out of 10 of those employed must be from the South Bronx. In order to train local people in the trades full use should be made of the Bacon Davis Act so that provisions may be made to have 4 trainees per journeyman.

To create more jobs for the people of the South Bronx, the plans for the South Bronx Industrial Park in this area must be made a reality.

More industry must be attracted to the South Bronx. In building new housing, efforts must be made to give contracts to our local contractors.

HOUSING - NEW CONSTRUCTION AND REHABILITATION - RECOMMENDED MODEL

Housing construction and rehabilitation should be initiated as soon as possible. This must be done with the people, not for the people, so that it will last.

COMMUNITY SPONSOR FOR NEW CONSTRUCTION AND REHABILITATION

Federal money should be made available to a community sponsor which will work to develop, to construct or rehab under the following conditions:

- a) that the sponsor group can prove that it has a solid record of community service,
- b) that the sponsor can prove real membership of a majority of people who live in the neighborhood,
- c) that the community people, through a Board of Directors, share in the decision making power of the sponsor group,
- d) that the sponsor not cease in its relationship with a building once it is built and tenanted, but that the sponsor after assuming the responsibility of tenant selection must continue to organize the tenants to participate in the management of the building,
- e) that the community sponsor become the sole owner of the building and that there be provisions for real membership of the tenants through representation in the sponsor owner organization,
- f) that furthermore, the community sponsor owner give way as soon as possible to tenant ownership of the building,
- g) and that the sponsor submit to supervision by the federal government to make sure that the above mentioned conditions are met. Also the sponsor must submit to audit by the government.

ROLE OF CHURCHES IN SPONSOR GROUPS

Church membership constitutes one of the more stable and permanent organizations of people in the South Bronx. Churches should involve themselves with other stable neighborhood groups in the formation of community sponsorship of housing. The Church, involved with other segments of the community to sponsor housing is the preferable model to be used. Examples of such involvement are SEBCO and the Mid Bronx Desperados, as well as the People's Development Corp.

DEVELOPERS AND CONSTRUCTION COMPANIES

In this model, developers and construction companies will work for the community sponsor group through a contract.

The developer and contractors will observe the employment regulations set forth earlier regarding the percentages of community people and the proportion of trainees to journeymen to be used in construction.

The developer and contractors will have a co-responsibility with the sponsor to contribute financially to the community organizing aspects of the building, i.e. to train tenants to participate in building management and ownership.

The developer and construction company will, after the contract is completely fulfilled, give over all ownership rights to the community sponsor group.

TENANTS

The tenants of the building that are newly constructed or rehabilitated must be involved in the management of their own buildings through a process of community organization and training. There must also be a representation of the tenants of each building as members of the sponsor owner organization. The tenants will eventually become the sole owners of their buildings according to our model, as the sponsor owner will give complete ownership to the tenants as soon as possible. Our model calls for a process through which the tenants will become owners of their buildings in cooperative ownership.

TYPE OF BUILDING CONSTRUCTION

There should be an over-all plan developed for low density housing including (using our model) strict rental, coop, private ownership, and condominium.

RECONSTRUCTION FOR WHOM?

The newly constructed homes should be made available principally to the people who now live in the South Bronx.

PRIVATE SECTOR

The private sector should be encouraged and stimulated to involve itself in the revitalization and reconstruction of the South Bronx.

NEW YORK CITY HOUSING AUTHORITY

Of the federal money that will be spent on new housing in the South Bronx, the amount spent on the Housing Authority should be minimal. The reason for this is that there is minimum participation of community people in such housing and too much central control.

In the event of new Housing Authority construction, the regulations stated previously about the hiring and training of community people should be written into any construction contract.

The neighborhood must be involved in tenant selection through proven community groups.

BUILDING PRESERVATION MONIES

Money from the federal government should not only be spent on gut rehab and new construction in the South Bronx, but also a substantial amount should be used to preserve the existing housing:

- a) The federal government should give monetary and other support to legitimate community groups that organize tenants for neighborhood preservation. When this is done the same standards applied to community sponsoring groups for new housing should be used.
- b) The government should make an effort to establish tenant and other community organizing programs in neighborhoods that lack such resources.
- c) Substantial federal funding should be made available for light or cosmetic rehabilitation in existing housing, again applying the same standards of responsibility applied to sponsoring groups and developers.

DEMOLITION

Demolition often precedes reconstruction and is a good source of employment. Local contractors and local people must be employed in demolition work.

HOUSING PRESERVATION AND DEVELOPMENT ADMINISTRATION

Great efforts should be made by the national, state, and local government, as well as community organizations, to bring about reform in the HPDA. A priority should be the Emergency Repair Program and its generally inadequate service to tenants who suffer from criminally negligent landlords.

FEDERAL GOVERNMENT

The federal government should make money available to rebuild the South Bronx. We strongly recommend that our model be a part of the rebuilding program and that the guidelines set forth in this paper be followed so that the construction projects undertaken be truly beneficial to the local community.

In addition to making the money available, the federal government should supervise and oversee in any case where federal money is used; in the planning stages, in the actual building, and during the life of the building. The federal government must make sure that community sponsors, developers, and tenants fulfill the basic principle set forth in this paper to insure that tenants are organized to manage and own their buildings.

The federal government should also promote and enforce the standards we have set forth concerning employment.

The federal government must see as an important part of rebuilding the South Bronx the need to promote, support, and fund community and tenant organizations. Incentives and technical assistance should be given to encourage tenant participation in management and tenant ownership.

BRONX CHURCH COALITION

The Bronx Church Coalition is a coalition that represents 30 Catholic and Protestant Churches in the South Bronx. We are pledged to work with other segments of the community for the revitalization of the South Bronx. We assume as our responsibility the promotion of these guidelines as our recommended model for reconstructing our neighborhoods. We pledge ourselves to exert moral pressure wherever construction is undertaken, and to urge that the principles we have set forth, and which we believe to be all important, are observed by all parties involved.

We also assume as our special responsibility in the reconstruction program the organization of our communities so that our people can participate more fully in the management of their own lives, whether it be in housing, health, education, or community planning.

We shall, wherever possible, with the aid of necessary funding set up community organizing programs which will be particularly directed to the organization of tenants to participate in the management and ownership of their buildings.

THE WHITE HOUSE

WASHINGTON

February 8, 1978

To Cardinal Cooke

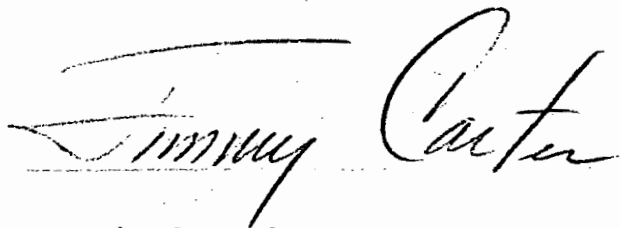
Thank you for your recent letter concerning the South Bronx revitalization effort. I certainly agree with you--and I saw for myself in October--that one important key to the future of this area lies in the self-help spirit that already motivates several neighborhood groups.

The Bronx Church Coalition in its tenant training and neighborhood activities is to be highly commended. The Coalition's thoughtful paper outlining a community-based redevelopment strategy has been carefully studied by my assistant, Jack Watson, and his staff.

At the present time, his staff is working with the City of New York to develop a capability for actively involving local groups in the redevelopment process. Jack's office will be contacting you to answer any further questions you may have and to keep you informed of our progress.

I am delighted to hear of your personal interest in this matter and about the good works of the Bronx Church Coalition.

Sincerely,

A handwritten signature in cursive script, reading "Jimmy Carter". The signature is written in dark ink and is positioned below the word "Sincerely,".

The Honorable Terence Cardinal Cooke
Archbishop of New York
Cardinal's Residence
452 Madison Avenue
New York, New York 10022

765
THE WHITE HOUSE
WASHINGTON

February 13, 1978

Frank Moore

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

WEEKLY LEGISLATIVE REPORT

cc: Tim Kraft - page 5

THE WHITE HOUSE
WASHINGTON

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cc

cc Frank

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THE WHITE HOUSE

WASHINGTON

February 10, 1978

ADMINISTRATIVELY CONFIDENTIAL

TO: THE PRESIDENT
FROM: FRANK MOORE
SUBJECT: Weekly Legislative Report

1. ENERGY

--Staff of the natural gas conference will continue to meet during the week. After the recess, the Senate conferees, in particular, may encounter scheduling problems as they get involved in other legislative matters including the Panama debate.

--There has been no move or any indication of movement by the tax conference other than Senator Long's publicized new proposal for a crude oil equalization tax. No date has been set for reconvening deliberations.

2. FOREIGN POLICY ISSUES

Panama: Thanks to your meetings and other developments, we are now involved in negotiations with at least eight of our undecided or leaning Senators. We can expect some undecided Senators to announce for the Treaties when the Senate returns February. During the recess period, we will meet with the Foreign Relations Committee staff to coordinate our preparation of material on amendments. Arguments in opposition to all but the Leadership amendment will be further developed and distributed to key Senators.

--Senators Byrd and Baker will attempt to better coordinate the speaking schedules of our allies. So far, Byrd, Church, Sarbanes and Sparkman have borne the major load of defending the Treaties on the floor. We have several other fine orators like Hollings and Muskie who will become more active when the Senate resumes debate on the Treaties.

--The closed door Senate session scheduled for February 21 has perked the interest of the press and we can expect some speculative stories as a result. We understand that the information the Intelligence Committee will present to the Senate will categorically clear the Treaty negotiations of any taint of intelligence on drug complications. Although no hard evidence appears to exist implicating General Torrijos in drug smuggling, a great deal of potentially embarrassing reports and other documents, when taken alone, do exist. We should expect some leaks after the closed session, and are now discussing how best to respond if and when this occurs.

--You will continue to receive nightly status reports, except on those days during the recess period when developments are minimal.

Middle East Arms: Rumors continue to fly on the Hill that the Administration will soon send up notifications on major arms' sales for Israel, Egypt and Saudi Arabia. The American-Israel Public Affairs Committee is already engaged in a major campaign against

the possible sale of F-15's to Saudi Arabia. An AIPAC memorandum entitled "F-15s to Saudi Arabia -- a Threat to Peace" strongly criticizes the sale as contradicting the Administration's arms' restraint policy and directly threatening Israeli population centers. Lee Hamilton has asked the State Department to comment on the memorandum.

--The House International Relations Committee should be more receptive than the Senate Committee to the sales to the two Arab countries. Members of the HIRC who travelled to Egypt and Saudi Arabia over the last recess came back with a better awareness of the pressures on our government to satisfy the perceived defense needs of these countries. The Senate Committee is concerned about the impact of these sales on the Israel-Egypt peace negotiations and we will have to make a strong case that any proposals that are forwarded will not work at cross purposes with this process.

--The State Department is currently completing work on studies relating to the military balance in the Persian Gulf area and the capacity of recipient countries to absorb new weapons, and should be prepared to brief the Committees on these studies in the near future.

Witteveen Facility: The bill is now tentatively scheduled for House floor consideration on February 21. A new whip count should be available on February 15. Treasury and State are working hard to convince House Members that the Witteveen Facility is not foreign aid, but a vitally needed institution for the maintenance of international monetary stability.

--If Subcommittee Chairman Steve Neal reaches an agreement with Harkin/Steers, the human rights issue could possibly be settled before the bill reaches the floor, thus reducing the number of liberal Democratic defections. Treasury and State, on behalf of the Administration, oppose a human rights amendment.

--On the Republican side, Congressman Stanton (R-Ohio) now estimates that between 50 and 60 Republicans will support the bill. Stanton, Minority Leader Rhodes, and former Republican Treasury officials from previous Administrations are being asked to contact targeted Republicans. Arthur Burns has sent a letter to Stanton urging support for the bill.

The Horn of Africa: Some liberal legislators (including Senator Eagleton), perhaps influenced by Sadat's comments about the dangers of Soviet and Cuban activity, have begun to suggest that the U.S. take a more active role. State advises that it is probable, however, that most Members remain poorly informed on this subject, do not see how the situation in the Horn relates to U.S. national interests, and would be generally opposed to any active U.S. involvement.

OPIC Authorization: Congressman Bingham is the floor manager of this bill which is tentatively scheduled for floor action February 22.

--The AFL-CIO has mounted a strong campaign to defeat OPIC. To counter this, State is arguing that OPIC serves to facilitate and stimulate U.S. foreign direct investment, which in turn provides the economic stimulus for increased U.S. exports and employment.

--Chairman Zablocki is clearly worried about the impact protectionism is going to have on all foreign aid legislation this year in the House. AID advises that he tried to get a commitment from a labor representative testifying against OPIC that labor would not oppose other bilateral aid programs, but was unable to do so.

3. ECONOMIC PACKAGE

--Public group briefings have begun. Treasury and White House staff are working on a schedule for White House briefings for Members. Ways & Means will take up the tax package again on March 6.

Humphrey/Hawkins: The full Education and Labor Committee will consider the bill on Tuesday. DOL will be contacting every Democratic Member to urge their opposition of any anti-inflation goal language and to support reporting the bill. DOL advises that the prospects for House passage are good but it will require a strong Administration showing.

--In the Senate, there are clear problems with Proxmire and, perhaps, Muskie.

4. FARM ECONOMY

Thursday, by voice vote, the Senate approved Chairman Talmadge's Committee Resolution expressing the sense of the Senate that emergency action should be taken by you and the Secretary of Agriculture to bolster the farm economy. The proposal calls for increasing loan levels and initiation of land diversion payments, which Talmadge estimated would cost \$8 billion. During the brief debate on the Senate floor, Senators Melcher, Hodges, Allen and Dole spoke in support of the resolution, while Budget Committee members Muskie and Bellmon spoke in opposition. Muskie pointed out that the second budget resolution outlays have already been exceeded for agriculture by \$1.8 to \$2.8 billion.

Staff directors of both House and Senate Committees have said that, in the absence of some initiative from the Administration to increase price supports or market prices, they anticipate some action by their Committees to legislate higher loan rates, target prices or mandatory land diversion payments. They're less certain of what can be done on the floor, and USDA discussions with staff members of the budget committees suggests that there can be significant opposition to any moves with substantial budgetary impact.

5. LOBBYING REFORM

--The House Judiciary Committee will begin markup on Tuesday. Jim Free, DPS and Justice representatives have met with eight key Committee members and their staff to help work out a satisfactory bill.

--Chairman Rodino is not enthusiastic about the bill but has promised to give us legislation this session. Major areas of concern center around liberal beliefs that the bill encroaches on first amendment rights. Members such as Edwards (Cal), Barbara Jordan and Father Drinan are possible opponents.

--Major issues for resolution include the following: 1) limitation of Executive Branch coverage to lobbying communications which pertain to legislation, rather than all Executive activities; 2) providing for some disclosure of the identities of contributors to lobbying organizations; 3) requiring lobbying organizations to disclose lobbied issues with greater specificity than the bill currently provides; and 4) deciding whether the Comptroller General should have some enforcement powers, as the bill now provides, or if enforcement should rest exclusively with the Attorney General (the Justice Department has not raised major objections to the scheme now in the bill).

--The Senate Governmental Affairs Committee has completed hearings on its proposed legislation.

6. AIRLINE REGULATORY REFORM

--Markup is still scheduled for the first of March. CL staff have visited with every Subcommittee member and it appears in good shape for markup. However, Majority Leader Wright is already saying that he is opposed to any bill and the Speaker is publicly stating his pessimism about the effectiveness of the legislation.

7. REORGANIZATION

--Next week, OMB will be reevaluating the Administration's tentative civil rights reorganization recommendations to take into account the concerns raised by Members.

--The Civil Service Reform package is on schedule with planned transmittal to the Hill on February 22 for the legislation and March 15 for the reorganization plan. OMB staff have been conducting a number of briefings on this issue, with a generally receptive reaction.

8. COMPREHENSIVE NUCLEAR REGULATORY ACT

--John Dingell's Energy and Power Subcommittee held three days of hearings last week on his bill which calls for a comprehensive study of generic nuclear issues to establish a national policy before taking definitive legislative reforms (the Administration opposes his bill since the reform licensing bill is in the works). Dingell expressed concern that DOE has the lead in the Administration bill rather than the NRC. He considers the Administration's plan to introduce separate legislation for licensing, siting and waste disposal a "piecemeal" approach. Congressman Ottinger and anti-nuclear groups criticized what they called a reversal of position because the April 20 Energy Message indicated support for a definitive study prior to formulating licensing legislation.

did we?

9. MISCELLANEOUS

--With the defeat of the consumer bill has come a rash of predictable fault-finding. We feel that some of the criticism goes deeper than reaction to the loss on Wednesday and the Speaker's angry presentation at the Democratic Whip meeting Thursday morning. It is essential that we take this deeper warning to heart and adjust our image on the Hill in order to avoid letting this incident "de-rail" (Tip's description) our future leadership/White House objectives.

What do you mean?

--The consensus around West Virginia is that if Senator Randolph votes for the Panama Treaties, he could jeopardize his chances for reelection. However, if he votes against them, he should be able to win easily over Arch Moore.

--Last week the House agreed, by unanimous consent, to accept the Senate amendments on the nuclear non-proliferation bill, thus avoiding a conference. We recommend a signing ceremony for this bill. *ok*

--The House will not act on the ethics package before April.

--We will be meeting with DOD representatives next week to go over some tentative House vote counts on the B-1 bomber. General Jones' testimony in support of the "de-appropriation" before the HASC has helped us with conservatives. Next week he will be before the House Appropriations Committee during its Defense Posture hearings. Subcontractors are still working the issue hard.

FLOOR SCHEDULE, WEEK OF FEBRUARY 13

House

Monday--not in session.

Tuesday--Chattahooche River National Park. Rescheduled from last week.

--Cargo Capacity for Civil Aircraft. Rescheduled from last week.

--Defense Officer Personnel Management Act. Rescheduled from last week.

What are we doing?
Wednesday--Aquaculture Organic Act. The bill would establish a National Aquaculture Plan to coordinate Federal programs and increase resources available to the domestic fisheries industry. The Secretary of Commerce would establish and implement the plan. According to OMB, the Administration is opposed to this legislation because (1) adequate means for coordinating Federal aquaculture activities already exist; (2) individual Federal agencies already have aquaculture plans and studies related to their specific agency missions; (3) Federal agencies are currently involved in a wide variety of aquaculture activities; and (4) aquaculture has proven to be a highly productive and profitable form of farming, and private entrepreneurs should move freely into the market without major government "subsidies" to assist such efforts.

--9 to 11 Committee funding resolutions.

Thursday--Black Lung Benefits Conference Report. Rescheduled from last week.

--American Folklife Preservation Act. The bill authorizes appropriations for FY 1979-1981 for the American Folklife Center in the Library of Congress. The Administration defers to Congress on this bill.

Friday --Not in session.

Senate

--The Senate will not be in session.

764
THE WHITE HOUSE
WASHINGTON

February 13, 1978

Jody Powell

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

RE: A.G. RELEASE ON SELECTION OF
FEDERAL JUDGES AND U.S. ATTORNEYS

THE WHITE HOUSE
WASHINGTON

cc Jody



THE PRESIDENT HAS SEEN.

Department of Justice

*Jody - See me
on this
J*

Attorney General Bell issued the following statement today on the selection of Federal judges and United States Attorneys:

Any understanding of the issue of "merit selection" of federal judges and U.S. Attorneys must begin with the constitutional and statutory origin as well as the historical practice of the patronage system as it was inherited by this Administration in January, 1977.

The President's power to appoint judges and United States Attorneys expressly derives from Section 2 of Article II of the Constitution and federal statute that provide that the President

"shall nominate, and by and with the advice and consent of the Senate shall appoint"

federal judges and United States Attorneys. Soon after the birth of our Republic, the reality became that the Senate nominated and the President confirmed persons to fill those offices. For years, the effective power of nomination has resided in individual Senators in the President's political party. A person could not expect to be considered for one of these positions unless he or she knew a Senator personally, knew someone who did, or was owed some political favor by that Senator.

Exceptions from this mold were few. Notwithstanding, many excellent judges and United States Attorneys have emerged through the years from just such a process. Its deficiencies have been largely that the pool of potential candidates has been very limited and that there has been a general unevenness in the quality of candidates.

In his campaign platform issued June 19, 1976, President Carter stated, "All federal judges and prosecutors should be appointed strictly on the basis of merit without any consideration of political aspects or influence."

Commission or panel nomination is a process that broadens the number of persons to be considered for an appointment, and establishes a minimum standard of excellence for all who ultimately would be advanced as candidates.

The President and I recognize the limitations of the President's unilateral power to change the historical practice of selection. The Constitution and federal statutory law give the President the responsibility to nominate persons for these offices; they give the Senate the responsibility to advise him on these nominations and the ultimate power to consent or to refuse to consent to them. Consultation and cooperation between the two branches is thus inherent in the process. Within this process, however, the President and I recognized early our opportunity to offer leadership toward the fulfillment of his campaign pledge to ensure that merit governed the appointment of federal judges and prosecutors.

The existence of historical tradition in the designation of U.S. Attorneys was unmistakably evident in January, 1977. There were only four Democratic U.S. Attorneys as of January, 1977 -- out of a total of 94. All four were holdovers from appointments made by previous Democratic administrations. Two were from Mississippi; one was from Arkansas; and one was from Oregon. Presidents Nixon and Ford appointed no new Democrats during their entire eight years in office.

Among those President Carter and I consulted was the Chairman of the Senate Judiciary Committee, James O. Eastland, whose Senate Committee has the responsibility to recommend confirmation or rejection of all judicial and U. S. Attorney nominees. Chairman Eastland told the President and me in a meeting in Atlanta on December 13 that he felt the Senate would accept the new Administration's moving immediately to establish judicial selection commissions for the appointment of judges to the United States Court of Appeals. He told me that it was his judgment that the Senate would not stand for further immediate unilateral intrusions into their historical "nomination" function, but that he would help the President and me to encourage Senators voluntarily to establish commissions for district judges.

Indeed, in my very first press conference as Attorney General-designate on January 3, 1977, I said that

"we expect to put in merit selection commissions, to select the federal courts of appeals judges, before too long. And we're working in something along that line, but with the Senators, for the district judges. We've not worked out anything for U.S. Attorneys."

Based on such consultation, the President and I determined to move immediately to establish commissions to recommend nominees for the federal courts of appeal. Such commissions for the recommendation for all nominees to the federal courts of appeal were established during the first month of President Carter's term of office.

The President also determined that we would give every possible encouragement to Senators to establish their own commissions for the nomination of candidates for United States District Judges and United States Attorneys. To this end, he personally wrote a long-hand letter to every Democratic Senator urging that the Senators use nominating commissions to assist in selecting district judge nominees. In addition, I have taken many opportunities to encourage Senators to establish nominating commissions for the selection of both judges and United States Attorneys.

I made this overall plan very clear in my own confirmation hearings. On the first day of these hearings (January 11, 1977) I told the Committee in response to a question from a Senator:

"It is a big bite to start on commission selection systems for all these people [judicial and U.S. Attorney appointments] at one time. If we start out on circuit judges and the Senators are persuaded that this would be a good way to handle district judges, doubtless, we will get to this on U.S. Attorneys; but we will not do that immediately. We will take care to see that we get good people on the merit system as U.S. Attorneys."

As to U.S. Attorneys who were in office by virtue of appointment by prior Presidents at the start of the Carter

presidency in January, I told Senator Thurmond during the first day of hearings:

"With respect to U.S. Attorneys, we have not worked out a plan to have a selection commission. We expect to work with the Senators in the States on merit selection basis.

I have asked Judge Tyler, who is now the Deputy Attorney General, to send a message to all the U.S. Attorneys and the Assistant U.S. Attorneys that they should indicate if they want to be retained on the merit system. That does not mean that they will be retained, but they will have an opportunity to be considered for retention on the merit system."

Such a message was sent, and we have moved deliberately and carefully to assess all incumbents who asked to be considered for retention. Merit, along with input from members of the President's party who expressed desire for a change, have been factors in our deliberations. To this day, we have some 21 U.S. Attorneys in place who were in office last January when the new President was inaugurated.

In my first press conference as Attorney General on February 10, 1977, I stated concerning U.S. Attorneys:

"The rule I'm following is: they [new candidates] have to be as good as the person now, and hopefully better . . . I plan to investigate myself, applicants to decide if they are as good or hopefully better than the person there. If they are equally as good, and the Senator wants a change, I would be inclined to agree to that.

But I hope that by negotiating with the Senators, that we'll end up with people even better than the people there. That's a way to move to the merit system. Then we plan to require the U.S. Attorneys to retain and employ assistants on the same basis. We've got to move to a merit system.

. . . I think I'll know a lawyer when I see one. and I believe that we can make some progress simply by doing our own checking, and asking the Senators in advance -- now I've told a number of them to be careful who they send over here, because we want a good lawyer."

Time and again, questions would come up as I traveled around the country to explain and reexplain the standards we were imposing. My response always conformed to the testimony I gave the Senate in January. I have sought to encourage Senators to establish their own nominating commissions. For example, I was asked when speaking to the National District Attorneys Association meeting in San Diego, California on March 14, about the selection process for United States Attorneys:

"They'll still be selected by the Senators. If there aren't any Democratic Senators in the state, then they'll be selected by some other Democrats there. But that doesn't mean they make the final selection. We carefully assess the people they send up. We've already turned some down. We have urged to the extent possible that U. S. Attorneys also be depoliticized and to that end we have had several Senators, Democrats, agree to keep the Republican U.S. Attorneys until their terms expire. You know, they have a set time, but they do resign ordinarily when the Administration changes."

We're making some progress, and I've upgraded the qualifications that we use, and I hope that over a period of time to professionalize the U.S. Attorneys offices."

On May 18, 1977, I delivered an address before the American Law Institute that included some of my strongest public statements about U. S. Attorney selections. After reviewing the efforts that the President and I had made to

institute merit selection commissions for judges on the courts of appeals and to encourage Senators to establish their own selection commissions for district court judges, I said,

"The problem is acute in the U.S. Attorney selection process. The law places the nomination responsibility and power with the President. The power to advise and consent rests with the Senate. In practice, however, the Senate proposes and the President advises and consents.

This practice of political selection is exacerbated by the practice, now prevalent, of resorting to some alternate source -- such as to Congressmen or Governors -- for suggesting names when the Senators from a given state are not of the President's party.

A number of commendable exceptions to these general observations have occasionally emerged in the 113 days that I have been Attorney General. Some Senators of the President's party have stepped forward and asked that U.S. Attorneys who were appointed by a President of a different party be retained. After review, we have agreed that these U.S. Attorneys are exceptionally well-qualified individuals who should be retained.

Other Senators have voluntarily taken the initiative of creating their own nominating commissions. Still others have made excellent selections without commissions. But in some states, we are facing problems in the selection of U.S. Attorneys. Some recommended nominees are simply not up to the requirements of the office.

I think the time has come to return, in the nomination and confirmation of U.S. Attorneys, to the express constitutional and statutory framework. I do not see how we can say that we are serious about the problem of crime unless we select the best available lawyers as U.S. Attorneys and require that their assistants be strictly selected on the merit system.

In my judgment this means that we must substantially improve the present practice."

In the delivery of the speech, I departed from my prepared remarks to add:

"We're going to have to say that this office [Office of the U.S. Attorney] is no longer in the patronage system. The Attorney General's office will pick these people [or] the President will pick them. Whoever picks them has to do it strictly on the basis of merit, high qualifications. . . ."

I have had frequent opportunities during the course of the first year as Attorney General to speak about this Administration's effort to achieve merit selection through nominating commissions for all levels of appointments. Attached as a supplement to this answer is a compilation of a number of such instances for which we have a transcript or record of my remarks on this subject. Supplement I. Also attached as a supplement is a compilation of media accounts reflecting our public statements. Supplement II.

I believe that all of our actions in the appointments of district judges and United States Attorneys comport with those statements. I believe that the results to date are encouraging -- we have made greater strides toward achieving merit selection of judges and United States Attorneys during this past year than during any other period of time in our history.

All of President Carter's appointments for judgeships on federal courts of appeals have been from nomination commissions.

Senators from approximately 18 states have now established commissions to nominate candidates for district judgeships. That is about 16 more such nominating commissions than existed when President Carter assumed office.

The result is demonstrable. To date, of 21 federal district judges appointed by President Carter and confirmed by the Senate, 11 have come from nominating commissions. Of 12 additional federal district judgeship candidates either already nominated and awaiting confirmation, or presently being processed for nomination, nine have come from nominating commissions.

Of the 145 proposed new circuit and district court judgeships to be created by the Omnibus Judge Bill now pending in Congress, at least 60 percent will be filled with the assistance of nominating panels. We anticipate that additional panels will be created by Senators as district judgeship vacancies in their States now occur for the first time under this Administration.

In addition, Senators from approximately eight states have established commissions for the selection of candidates for U. S. Attorney. That too is considerable progress over the situation we found last January.

As I said in that May American Law Institute speech, some Senators of the Democratic party have voluntarily asked that U.S. Attorneys who were appointed by the Presidents of a different party be retained. After review, we have agreed that a number of U.S. Attorneys who were exceptionally well-qualified should be retained.

This Administration has ensured retention and hiring of all Assistant U.S. Attorneys in the 94 U.S. Attorneys' offices on

the basis of merit. There was a time, fortunately now ended, when the wholesale turnover of almost all the staff lawyers in a U.S. Attorney's office followed a change in Administrations. Although there is always some attrition in the force of Assistant U.S. Attorneys, for the first year of the previous Administration (1969) there was a turnover of approximately 40 percent. For the past year (1977), the first year of the Carter Administration, the turnover was 21 percent. The normal annual turnover is 16 percent.

#

THURSDAY, FEBRUARY 9, 1978

THE WHITE HOUSE
WASHINGTON

February 13, 1978

Jim McIntyre

The attached was returned in
the President's outbox. It is
forwarded to you for your
information.

Rick Hutcheson

RE: "A POLICY-ORIENTED R&D BUDGET"

THE WHITE HOUSE
WASHINGTON

cc McIntyre

THE PRESIDENT HAS SEEN.

CC
McIntyre
J

AMERICAN ASSOCIATION FOR THE ADVANCEMENT OF SCIENCE

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A Policy-Oriented R & D Budget

Human nature being what it is, the annual appearance of the President's budget tends to rivet attention on the bottom line. That is fair enough but hardly good enough. What counts is understanding the reasoning behind the numbers for what can be gleaned about the quality of the decision-making that led to the results.

Mr. Carter's budget for fiscal 1979 shows his striking willingness to get on with shaping public policies for government's role in scientific research and development. Federal commitments to R & D will go up in 1979. Congress willing, but not just because more is better, nor simply to pump up the country's relative share of the gross national product assigned to R & D. Those arguments have never had much force, and it is well to lay them aside.

It is not often that White House speech writers will let a President use the State of the Union Message to single out science and technology as strategic goals of national policy. Such words do not excite the needles on the applause meters. The President had to mean it when he went out of his way to place priority on strengthening the nation's research centers and encouraging a "new surge of technological innovation by American industry." The implicit judgment behind the words is that not all is going well with the vitality and enterprise of our scientific and technological effort, and that the Administration has come to see value in a convergence of science policy with economic growth policy. This is no trivial breakthrough.

No less striking, in terms of reorienting science and technology policy, is the appearance of the term "investments" in the jargon of the budget documents explaining R & D decisions. This has been a long time in coming and we hope it is here to stay. The implication is that government outlays for R & D now are to be viewed not merely as year-to-year expenses but instead as allocating resources to produce long-term returns. The purchasing philosophy that has for so long dominated the government's R & D funding will, one hopes, be overtaken by an investment mentality in which scientific discovery and development are recognized (and evaluated on the proper scale) as growth enterprises requiring long perspectives, confidence, and stability. If this is to be the new departure in federally funded R & D, new funding methods may need to be devised and tested as replacements for the "procurement" approach in supporting R & D.

The Carter budget for R & D also helps to reveal the workings of zero-based budgeting for resource allocation under tight constraints. Zero-based budgeting has not turned out to be a blunt instrument. If anything, it appears to have brought something to the clarification of government's views toward support of R & D in the civilian sector. Public policy has been ambivalent about where the line is to be drawn between government and the private sector in research, development, and demonstration. The decisions in the 1979 budget may go a long way toward settling that question. The appropriate role of government, we are told, is to emphasize longer-term research for the future and new technology options, rather than major commercial scale demonstrations. It is a logical position, assuming that government also understands that the market economy's abilities to supply risk capital will require both incentives and the removal of barriers whose continued presence can reduce such a sensible proposition to ideology without substance.

The 1979 budget for R & D will take close study and inspection before we can arrive at judgments about the merits of particular choices and decisions. This is one of the uses of the annual AAAS analysis of the R & D budget and the June Science Policy Colloquium. But while the Budget Message is still fresh there is value in searching it for signs of new directions in national policy for science and technology. Viewed from here, it rates excellent marks.—WILLIAM D. CAREY

THE WHITE HOUSE

WASHINGTON

February 10, 1978

Frank Moore
Jim McIntyre

The attached was returned in the President outbox and is forwarded to you for your information. We will hold the attached until Monday so that you may notify congressional members.

Rick Hutcheson

cc: Stu Eizenstat

RE: PROPOSED FY 78 REQUEST FOR A SUPPLEMENTAL APPROPRIATION FOR THE DEPARTMENT OF ENERGY'S SOUTHWESTERN POWER ADMINISTRATION



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

FEB 7 1978

SIGNATURE

MEMORANDUM FOR: THE PRESIDENT

FROM:

James T. McIntyre, Jr.

SUBJECT:

Proposed Fiscal Year 1978 Request for a Supplemental
Appropriation for the Department of Energy's
Southwestern Power Administration

This proposed fiscal year 1978 supplemental request will provide \$13.1 million to deal with an emergency situation in the operations of the Southwestern Power Administration (SWPA). Part of these funds (\$7.3 million) will be used to purchase electric power to make up a shortfall in the amount of hydroelectric power generated by Government-owned reservoirs. This shortfall is a result of the low water levels in these reservoirs brought about by the drought the Southwest has experienced over the past year and a half. This situation has been aggravated by the higher than usual demand for electrical power resulting from an unusually severe winter weather in the area served by the SWPA. The remaining \$5.3 million will be used to pay private utilities for power supplied to the SWPA under new contractual arrangements that went into effect on December 1, 1977. Under the previous contract the SWPA met these costs by swapping power back to the utilities during peak power use periods. This proposal responds to an emergency situation and thus meets the recently established guidelines regarding requests for supplemental appropriations and amended budget requests. This proposal is being sent to you at this time because we estimate that the funds for the purchase power will be exhausted by mid-February. To avert a crisis situation, it is imperative that expeditious action be taken to forward this request so that SWPA may receive the necessary supplemental funds in time to preclude power interruptions. This proposal will increase fiscal year 1978 outlays by \$13.1 million. These funds will, however, be recovered to the Federal Treasury through the SWPA's approved rate structure.

RECOMMENDATION

That you sign the letter transmitting this proposal as soon as possible. This will enable the appropriation committees to consider an emergency supplemental appropriation.

Attachments

DEPARTMENT OF ENERGY

SOUTHWESTERN POWER ADMINISTRATION

Operation and Maintenance

For an additional amount for "Operation and maintenance", \$13,114,000.

This proposed supplemental appropriation will provide funds for purchase and transmission of electric power to meet contractual obligations of the Southwestern Power Administration. The Department of Energy estimates that currently available funds will permit the purchase of power only through mid-February. This proposal will increase fiscal year 1978 outlays by \$13,114,000.

THE WHITE HOUSE
WASHINGTON

The Speaker of the
House of Representatives

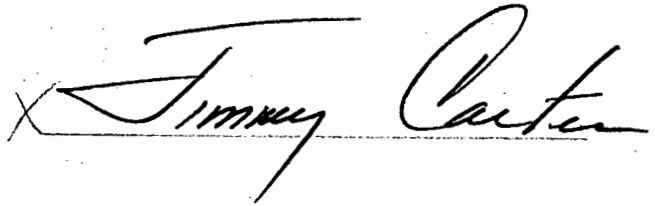
Sir:

I ask the Congress to consider a proposed supplemental appropriation for the fiscal year 1978 in the amount of \$13,114,000 for the Department of Energy.

The details of this proposal are set forth in the enclosed letter from the Acting Director of the Office of Management and Budget. I concur with his comments and observations.

Respectfully,

Enclosure

A handwritten signature in cursive script, reading "Jimmy Carter". The signature is written in dark ink and is positioned to the right of the word "Enclosure".

ID 780618

T H E W H I T E H O U S E

WASHINGTON

DATE: 07 FEB 78

FOR ACTION:

INFO ONLY: THE VICE PRESIDENT

FRANK MOORE (LES FRANCIS)

STU EIZENSTAT

JACK WATSON

SUBJECT: MCINTYRE MEMO RE PROPOSED FISCAL YEAR 1978 REQUEST FOR
 A SUPPLEMENTAL APPROPRIATION FOR THE DEPT. OF ENERGY'S
 SOUTHWESTERN POWER ADMINISTRATION

+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +
+ BY: 1200 PM WEDNESDAY 08 FEB 78 +

ACTION REQUESTED: IF YOU WISH TO COMMENT PLEASE CALL BY THEN

STAFF RESPONSE: () I CONCUR. () NO COMMENT. () HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

Linder is reviewing documents
X

*After signature,
CL needs 1 day
to notify before
clearing*

*if stu
will call by
2/8*

THE WHITE HOUSE
WASHINGTON

<input type="checkbox"/>	FOR STAFFING
<input type="checkbox"/>	FOR INFORMATION
<input type="checkbox"/>	FROM PRESIDENT'S OUTBOX
<input checked="" type="checkbox"/>	LOG IN/TO PRESIDENT TODAY
<input type="checkbox"/>	IMMEDIATE TURNAROUND

*call by Noon Wed if you
have a comment etc*

ACTION	FYI	
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<input type="checkbox"/>		COSTANZA
<input checked="" type="checkbox"/>		EIZENSTAT
<input type="checkbox"/>		JORDAN
<input type="checkbox"/>		LIPSHUTZ
<input checked="" type="checkbox"/>		MOORE
<input type="checkbox"/>		POWELL
<input checked="" type="checkbox"/>		WATSON
<input type="checkbox"/>		McINTYRE
<input type="checkbox"/>		SCHULTZE

<input type="checkbox"/>	ENROLLED BILL
<input type="checkbox"/>	AGENCY REPORT
<input type="checkbox"/>	CAB DECISION
<input type="checkbox"/>	EXECUTIVE ORDER

Comments due to
Carp/Huron within
48 hours; due to
Staff Secretary
next day

<input type="checkbox"/>	ARAGON
<input type="checkbox"/>	BOURNE
<input type="checkbox"/>	BRZEZINSKI
<input type="checkbox"/>	BUTLER
<input type="checkbox"/>	CARP
<input type="checkbox"/>	H. CARTER
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THE WHITE HOUSE

WASHINGTON

February 8, 1978

MEMORANDUM FOR THE PRESIDENT

FROM

STU EIZENSTAT
KITTY SCHIRMER



SUBJECT

McINTYRE MEMO DATED 2/7 RE: SUPPLEMENTAL
REQUEST

We concur with Jim McIntyre's recommendation that you sign the proposed letters to the House and Senate requesting a \$13.1 million supplemental for the Southwest Power Administration (SWPA) in FY 1978.

You should know, however, that it is also likely that additional Budget Authority will have to be provided for the SWPA in FY 1979. The extent of the add-on will depend on whether a revolving fund can be established to help this and the other western power administrations with financing problems which result from low rainfall. The establishment of a revolving fund, in turn, depends upon successful raising of rates (which in the case of SWPA have not been increased since 1957) to cover new costs. DOE, Treasury, and OMB are working on this problem, and expect to have analysis and recommendations completed within the next month or two.

For the time being, however, we have no choice but to press for an emergency supplemental for SWPA this year.



THE WHITE HOUSE
WASHINGTON

2/13/78

To Shirley MacLaine

I appreciate the work
you are doing with my
mother on the serious
problem of world
hunger. It's hard to
imagine a better
partnership -

Jimmy

Letter 1000 sent via shipping

THE WHITE HOUSE

WASHINGTON

February 9, 1978

MEMORANDUM FOR:

THE PRESIDENT

FROM:

RICHARD HARDEN 

SUBJECT:

World Hunger

When your mother and I were in California last fall, she and Shirley MacLaine got into a discussion of their respective experiences with poverty in India. I was fascinated by their interaction and subsequently suggested to them that they work together in making the public more aware of the problem.

On December 3rd, an initial meeting was held with representatives from AID, ACTION, NSC, Peter Bourne's study group, Midge's staff, the Domestic Policy Staff, and Shirley MacLaine. A wide range of options were discussed and a decision was made to hold a second meeting on January 5th with Miss Lillian in attendance.

The outgrowth of the second meeting was the decision that the most productive use of Miss Lillian's and Shirley's time would be to appear in a documentary pointing out what is and can be done and how the average citizen can help. The representatives from the various agencies were asked to develop background material which could be used in production of the film.

On January 11th, Midge and I met with Shirley and Rupert Hitzig, a producer of documentaries, to discuss details and possible approaches. It was felt that the maximum exposure could be obtained by having a one-hour documentary during prime time on one of the major networks. It was further felt that there would be a good likelihood that the network would actually produce the film, thereby eliminating the need to raise any funds. Rupert has taken responsibility for drafting an outline.

Since it is projected to take 6 - 12 months to produce the documentary, we are considering the possibility of having Miss Lillian and Shirley appear jointly on some of the talk shows during the next few months.

FEB 03 1978

169

Everything is progressing on schedule, and the main purpose of this memo is to make you aware of what we are trying to do. I thought you might want to mention it to your mother the next time you speak with her, and you might want to drop Shirley a brief note letting her know you appreciate the work she is doing with Miss Lillian.

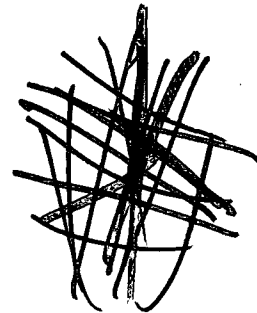
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T H E W H I T E H O U S E

WASHINGTON

DATE: 09 FEB 78

FOR ACTION:



INFO ONLY: THE VICE PRESIDENT

MIDGE COSTANZA

STU EIZENSTAT

JIM MCINTYRE

ZBIG BRZEZINSKI

PETER BOURNE

SUBJECT: RICHARD HARDEN MEMO RE WORLD HUNGER

+++++
+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +
+ BY: +
+++++

ACTION REQUESTED: SENT TO YOU FOR YOUR INFORMATION

STAFF RESPONSE: () I CONCUR. () NO COMMENT. () HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

THE WHITE HOUSE
WASHINGTON

	FOR STAFFING
/	FOR INFORMATION
	FROM PRESIDENT'S OUTBOX
/	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION	FYI	
	/	MONDALE
	/	COSTANZA
	/	EIZENSTAT
		JORDAN
		LIPSHUTZ
		MOORE
		POWELL
		WATSON
	/	McINTYRE
		SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

	ARAGON
	BOURNE
/	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	HARDEN
	HUTCHESON
	JAGODA
	GAMMILL

	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

THE WHITE HOUSE
WASHINGTON

February 13, 1978

Hamilton Jordan

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

cc: Stu Eizenstat
Jody Powell
Jim Fallows

RE: PROPOSED SPEECH ON CIVIL SERVICE
REFORM

ADMINISTRATIVELY CONFIDENTIAL

THE WHITE HOUSE
WASHINGTON

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<input type="checkbox"/>	EXECUTIVE ORDER
Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day	

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<input type="checkbox"/>	VOORDE
<input type="checkbox"/>	WARREN

THE PRESIDENT HAS SEEN

THE WHITE HOUSE

WASHINGTON

February 10, 1978

*Ham -
Let the speech
be drafted. Then
Jill decide -
J.*

MEMORANDUM FOR:

THE PRESIDENT

FROM:

HAMILTON JORDAN
STU EIZENSTAT

*HJ
Stu*

SUBJECT:

Proposed Speech on Civil Service
Reform

We understand that you have decided not to make the proposed speech announcing and explaining your civil service reform proposal, and have requested that the Vice President make the speech in your stead. We strongly recommend that you reconsider that decision for the following reasons:

1. Civil Service reform was one of the very few domestic issues which the Vice President's Executive Committee recommended -- and you accepted -- for highest Presidential visibility and involvement. Therefore, you should be identified personally with its introduction.

2. During the past year, we believe the public has sensed that one of your most powerful campaign themes -- reorganization -- is no longer one of your high priorities. That has occurred to a large extent because of the press of other matters and the difficulty in developing attention-grabbing reforms. In addition, the public did not perceive you, in a public way, emphasizing the reorganization projects.

Every effort needs to be made to ensure that your identity with reorganization is not lost, and that you and government reorganization and reform are universally seen as going hand in hand. One way of doing that is for you to make speeches this year on government reorganization and reform, when there is something major to say. At other times, when there are newsworthy but brief announcements to make (such as the elimination of 1100 OSHA regulations) we think

you should regularly make such announcements from the White House briefing room. In that way, you can continue to have government reorganization remain an issue that is uniquely yours.

We believe that you should start this year's effort at bolstering your public concern with reorganization by making a major address when the civil service reform is announced.

3. This reform will clearly be the most important government reorganization and reform effort of yours before the mid-term elections, and possibly for the next three years. The reform will be controversial with some segments of the population (such as some of the federal labor unions and veterans groups); but should be well received throughout the country as a means to bring the work ethic back to government. This reform will demonstrate your commitment to making the government work better and to have federal employees perform much more efficiently. There is no more appropriate reorganization reform for you to be personally involved in announcing.

4. As we have mentioned before, we believe that one failing last year was in not making enough prepared-text speeches, in which you both educate the public and identify yourself clearly with certain issues and themes. To avoid this problem this year, we need to use opportunities such as this one to make a set speech. There probably will be very few other opportunities during the next six weeks for another prepared speech, meaning that aside from the State of the Union you might not make any set speeches in the first quarter of this year.

A set speech need be no longer than 20-25 minutes. You could begin the speech by discussing your general reorganization philosophy and commitment, then discuss the major components of the proposed civil service reform, and might conclude by discussing further reorganization and reform efforts you intend to pursue this year.

In the event that you are still opposed to giving a set speech on civil service reform, we recommend that you consider one of two other options: a White House ceremony (perhaps in the East Room) at which you could announce the reforms in the presence of one hundred or more prominent government reform experts or supporters of the civil service reform;

or a simple statement in the White House briefing room. Between those two options, we strongly recommend the White House ceremony, which would take little of your time (5-10 minutes) but would receive considerable public attention. But we also think, though, that either option is preferable to your not being involved in any way with the announcement of the civil service reform package.

Give Prepared Speech on
Civil Service Reform
(recommended)

Make Remarks at White
House Ceremony
(next choice)

Announce in Briefing Room

Other

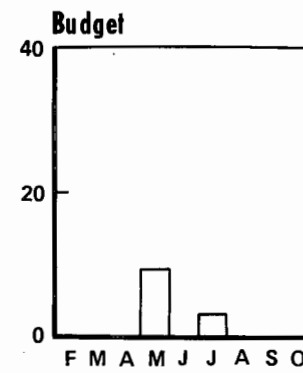
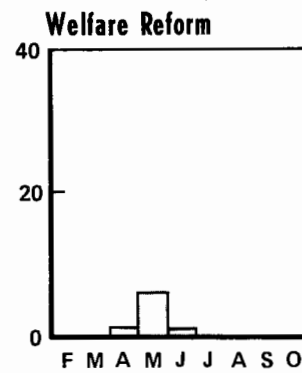
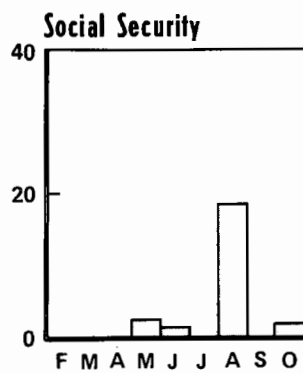
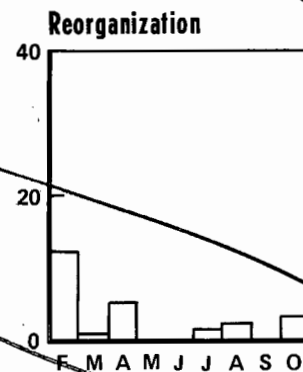
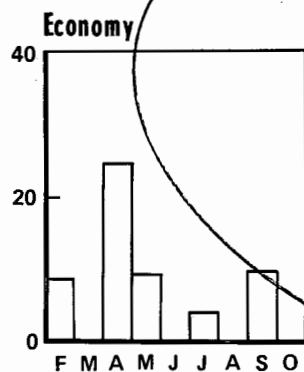
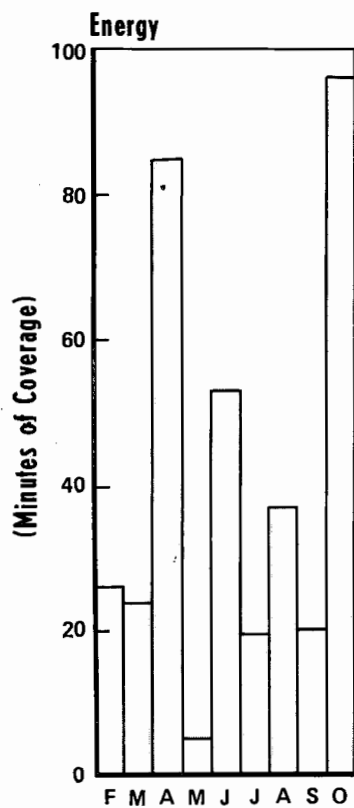
MR. PRESIDENT-

I HAVE ATTACHED FROM MY EARLIER MEMO
THE CHART WHICH SHOWS THE DIMINISHING PUBLIC
ATTENTION GIVEN REORGANIZATION IN 1977.

ONLY YOU CAN GIVE IT THE PUBLIC FOCUS IT
DESERVES - IT WAS ONE OF THE BASIC THEMES
OF YOUR CANDIDACY.

7.1.7.

Domestic Priorities of the Carter Administration*



*Detailed monthly analysis of network evening news (Jan - Oct 1977)

THE WHITE HOUSE
WASHINGTON
February 13, 1978

Frank Press
Jim McIntyre

The attached was returned in
the President's outbox. It is
forwarded to you for your
information.

Rick Hutcheson

RE: INDUSTRY AND ACADEMIC RESPONSE
TO YOUR FY 79 R&D BUDGET

THE WHITE HOUSE
WASHINGTON

cc Press
McIntyre ml

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

February 9, 1978

good
C

MEMORANDUM TO THE PRESIDENT
FROM: Frank Press *fp*
RE: Industry and Academic response
to your FY 79 R&D budget

Business Week and Science (American Association
for the Advancement of Science) comment favorably
about the policy expressed by your R&D budget.
About 500,000 members and affiliates are
associated with the AAAS. The boost in basic
research (+11%) is highly regarded and the pause
in R and D (\$6.1%) is viewed as sensible.

Enclosures

Carter hypos basic research

There is welcome news for scientists in President Carter's \$500.2 billion proposed budget for fiscal 1979. Support for basic research, that component of overall research and development funding that has until recently dawdled at or below the inflation rate, will expand by a hefty 10.9% over fiscal 1978 authorizations if the President's new budget clears Congress. The \$359 million increase, a 5% real gain over expected inflation, reflects rekindled enthusiasm in the White House for basic research, and its shape is the strongest indication yet that Jimmy Carter's science adviser, Frank Press, definitely is having his say in policy decisions.

The total of \$27.9 billion that Carter wants to spend for R&D—roughly one out of every 18 dollars in his budget—represents a modest overall increase of 6.1% compared to the 8.9% hike in the budget as a whole. While the R&D funding increases will barely keep step with rising costs, their allocation has met with broad approval from both industry and the university research community.

"I think I see here some fairly fine tuning," says William D. Carey, executive officer of the American Association for the Advancement of Science. "They seem to understand that a lot of problems aren't going to be cured by money." Adds Thomas A. Vanderslice, a senior vice-president at General Electric Co.: "I think Carter deserves a lot of credit for this budget."

Offsetting the basic research increases are a number of cuts in demonstration and development programs that Carter and Press feel should be taken over by industry, or dropped completely. The cuts are concentrated in the Defense and Energy Depts., and development programs such as the short-takeoff-and-landing aircraft and some solar heating projects will now have to find a home in the private sector. "Anyone could have looked at that solar funding and seen money being thrown away," says one industry research manager.

Academic work. Researchers note with approval Frank Press's stamp in the retooled R&D program. "Press is probably having more of an impact as the President's science advisor than anyone we have had in that position before," says a National Aeronautics & Space Administration official who knows Press to have been instrumental in reviving an atmospheric chemistry project previously cut by the Office of Management & Budget.

Others endorse the nearly \$3.6 billion scheduled for all types of university research, as well as the stated commitment to lure more young scholars into science as students and careerists. "We are enthusiastic about the increases in basic research in universities," says N. Bruce Hannay, vice-president for research and patents at Bell Laboratories Inc. and one of several industrial research managers consulted by Carter and Press as they put together the budget.

"The new budget," says Press, "backs up the Administration's interest in strengthening the nation's scientific capabilities." Among the areas where he wants the effort stepped up is NASA, which will raise its basic research budget by \$52 million to \$520 million. Environmental basic research, spread around several agencies, will rise \$16 million to \$1.2 billion.

Savvy packaging. At the National Institute of Child Health & Human Development, \$16 million in new money will go toward study of fertility and contraception—a bow, say some, from Carter to the voters he outraged by his antiabortion stand. More money will go to climate research, too, and the National Oceanographic & Atmospheric Administration has been tapped as lead agency for the effort. Not surprisingly, with geophysicist Frank Press as science adviser, earthquake research jumps from \$49 million to \$58 million.

A proposed 10.9% boost wins applause from universities and industry

Besides their enthusiasm for an R&D program that seems to recognize basic research's fundamental role in creating jobs and supporting technological development, industry research executives also applaud the apparent savvy with which the package is put together. Remarking that the funding presentation is applications-oriented, Hannay of Bell Labs observes: "A program may sound better when you say it has certain areas of application."

So far, a Senate health subcommittee staffer sees "no enormous enthusiasm" but also "no expressions of alarm" as the Congress begins to consider the R&D provisions. In the House, Florida Representative Don Fuqua, the ranking Democrat on the Science & Technology Committee, sees sympathy for more basic research but warns that development funds may well be restored.



Frank Press: Emphasizing university-based research.

Congress surely will not swallow the package whole. For one thing, Carter has axed \$150 million from the Clinch River breeder reactor program, a project dear to some influential lawmakers. The NASA funding will receive close scrutiny, too. Inside the agency, it is expected that Congress will restore the \$9 million lost when plans for a fifth space shuttle orbiter were dropped. But the new science projects, including the so-called Solar Polar cooperative satellite venture with the Europeans, could be scaled back.

Elsewhere, the new R&D numbers reveal an extra \$31 million in Defense Dept. spending on campus for military-related work in fields such as aeronautics and propulsion chemistry. NASA would have an extra \$36 million to continue its reemphasis on aeronautical research and technology—one of the Administration's expressed priorities.

Both the National Science Foundation and Press's Office of Science & Technology Policy are exploring ways of linking industry and universities in cooperative research projects. That, plus a promise from Press to review industry's research problems with a view toward possibly easing the "disincentives" in public policy, has made many industrial research managers optimistic. However, Michael Michaelis, a consultant at Arthur D. Little Inc., cautions that the Administration's awareness of research management problems "is an evolutionary realization."

THE WHITE HOUSE
WASHINGTON

February 13, 1978

Frank Moore

The attached was returned in
the President's outbox. It is
forwarded to you for your
information.

Rick Hutcheson

RE: REQUEST TO TELEPHONE SEN.
HOWARD METZENBAUM

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

February 10, 1978

Done
J

MEMORANDUM FOR THE PRESIDENT

FROM:

FRANK MOORE

FMA/BR

SUBJECT:

REQUEST TO TELEPHONE SEN. HOWARD METZENBAUM

Sen. Metzenbaum (D-Ohio) has called you. He wants to talk with you regarding the coal strike settlement and the impending coal shortage in Ohio. I suggest that you call him and discuss this with him in the same manner that you spoke with Sen. Glenn yesterday.

Sen. Metzenbaum may also bring up our nominee for General Counsel of DoE, Lynn Coleman. Metzenbaum is unalterably opposed to this nomination. Hamilton and I discussed this nomination with you, and you have agreed that we should continue to push it.

THE WHITE HOUSE
WASHINGTON

February 13, 1978

Bob Lipshutz

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

RE: NOMINATION OF PR "BOBBY" SMITH
TO BE ASSISTANT SECRETARY OF
AGRICULTURE FOR MARKETING SERVICES

THE WHITE HOUSE
WASHINGTON

cc Lipstick

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

February 7, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: Robert Lipshutz
Michael Cardozo *MLC*

SUBJECT: Nomination of P.R. "Bobby" Smith to be
Assistant Secretary of Agriculture for
Marketing Services

You have advised that you want careful scrutiny of the steps which Bobby Smith will take to remove any real or apparent conflicts of interest when he becomes an Assistant Secretary at USDA. The following is a description of Smith's assets and the insulating steps which he will take:

1. Farm land. 170 acres in Gwinnett County -- no agricultural crops grown; acreage not leased.

192 acres in Barrow County -- both the cultivated portion of the land and the pasture land portion are leased at a fixed per acre rate. Smith receives no royalties on harvested crops; there is no cotton allotment on the land nor are any crops grown under USDA support programs.

There is, however, a cotton allotment on land owned by Smith's mother, which land is farmed by his 25 year-old son, Phil. Smith will receive no income or profits from such land, nor will he participate in the management of the land.

2. Cotton warehouse. Owned 90% by Smith, 10% by his mother. Smith will lease his interest in the warehouse to his son, Phil Smith, for a fixed rental. No profits shall accrue to Bobby Smith while he serves at USDA. Smith has agreed to shift the warehouse license from the federal government to a State of Georgia warehouse license.

3. Seed and gin company. Owned 50% by Smith, 50% by his mother. Smith will lease his share of the company to his son, for a fixed rental fee; no profits shall accrue to Smith while he serves at USDA.

4. Piedmont Acid Delinting. Owned 50% by Smith, 50% by an individual not related to Smith. The two partners have entered into a lease with a North Carolina corporation for operation of the business. Smith shall receive only a fixed rental for his partnership share and not any royalty based on the amount of cotton seed processed.

Smith has resigned from the following organizations:

Director, Bank of Barrow
Member, National Cotton Council
Board Member, Cotton, Incorporated
Chairman, Georgia Agricultural Commodity
Commission for Cotton

USDA and my office have agreed that Smith may remain a member of the Board of Regents of the University System of the State of Georgia, but only after satisfactorily disqualifying himself from acting on certain matters affecting the Georgia State Board of Regents which are under the control of USDA. Smith has satisfactorily entered such a disqualification.

I am satisfied that Smith has taken all necessary and reasonable steps to remove actual or apparent conflicts of interest. Nonetheless, because he is from Georgia, and has been a cotton farmer and businessman for many years, and because his son will run the cotton warehouse and seed and gin company (the combined income from both enterprises last year was less than \$10,000), there will undoubtedly be individuals who will argue that he has a bias with respect to certain cotton matters or at least the appearance of a conflict of interest. Smith has discussed this matter with Senator Talmadge, who is entirely satisfied that the steps which Smith has agreed to take are appropriate and acceptable. The USDA's General Counsel's office is also satisfied with Smith's disqualification procedures.

I think we can adequately defend the disqualification steps Smith has agreed to take.

APPROVE ✓
(Recommended)

DISAPPROVE _____

✓

THE PRESIDENT HAS SEEN ADMINISTRATIVELY CONFIDENTIAL
Not for Circulation

THE WHITE HOUSE
WASHINGTON

C
/

February 10, 1978

MEMORANDUM FOR THE PRESIDENT

FROM:

STU EIZENSTAT *Stu*

SUBJECT:

Coal Slurry Jurisdiction Decision

Attached is a draft memorandum done at your suggestion, following our recent meeting on the coal slurry pipeline issue. I have also attached your original notes. You wanted to look at this and then send it to Secretary Schlesinger for his review. Of course, I will be glad to make any further changes before this is sent to him.

THE WHITE HOUSE
WASHINGTON

- 1) DOE lead - certifying agency
- 2) Large quantities of H₂O
- 3) DOI. Water rights
- 4) Admin policy, environment
→ DOI
- 5) If DOI objects on public
or private lands. DOE
appeal directly/immediately
to President
- 6) Controversial legislation, need
to allay environmental
concerns.

THE WHITE HOUSE

WASHINGTON

February 13, 1978

Secretary Schlesinger

The attached was returned in the President's outbox today and is forwarded to you for appropriate handling.

Rick Hutcheson

cc: Stu Eizenstat
Kurt Schmoke

RE: SUMMARY OF COAL SLURRY JURISDICTION
DECISION

THE WHITE HOUSE
WASHINGTON

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<input checked="" type="checkbox"/>	FROM PRESIDENT'S OUTBOX
<input type="checkbox"/>	LOG IN/TO PRESIDENT TODAY
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also cc Kurt Schnoake

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<input type="checkbox"/>	STRAUSS
<input type="checkbox"/>	VOORDE
<input type="checkbox"/>	WARREN

To Jim Schlesinger
cc: Stu

SUMMARY OF COAL SLURRY JURISDICTION DECISION

*I believe
this is best
JC*

The Department of Energy should be the lead agency for certifying and regulating coal slurry pipelines on both private and public lands, subject to the concurrence responsibilities of the Departments of Interior and Transportation. The scope of concurrence findings for DOT (impact on other transportation modes) and DOI (water, right-of-way, environment) should include coal slurry pipelines through either private or public lands.

The reasons for Interior involvement in the decision-making process on both private and public lands are as follows:

- the large amounts of water involved; and
- the potential for significant environmental controversy and damage.

It has been the policy of this Administration to significantly increase the attention given to environmental concerns. Interior is the lead agency in implementing this concern. It would be inconsistent with the Administration's direction regarding the environment to make a distinction between public and private lands for purposes of coal slurry pipeline decisions. In addition, coal slurries are likely to be very controversial. To assure to the environmentally-concerned public

that their concerns are considered in coal slurry decisions, it is appropriate for Interior to make the environment-related findings.

This need not deter DOE's ability to function effectively as the certifying regulating agent for coal slurry pipelines. If DOI or DOT every objects to a pipeline either on private or public lands, DOE will have the full opportunity to immediate and direct appeal to me as President. I will resolve the matter expeditiously.

* * * *

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

MEMORANDUM TO: THE PRESIDENT

FROM:

Jack Watson *Jack*

February 13, 1978

This is in response to your note to me this afternoon asking for a timetable and recommendations regarding "action and public statements on the coal strike." Today at 3 o'clock, Ham, Jody, Frank Moore, Jim Schlesinger, Ray Marshall, Landon Butler and I met to discuss the situation in detail. Our joint recommendations to you are as follows:

1. That you make personal, confidential calls to George Meany and to Doug Fraser to "seek their advice" and to inform them of your having directed Ray Marshall to become personally involved with the negotiating parties. As we mentioned in your office, some ancillary points to include are;

- (a) That we have done, and will continue to do, everything possible to try to make the collective bargaining process work;
- (b) That you want to avoid use of Taft-Hartley if it is at all possible to do so;
- (c) That Ray is meeting tonight with Arnold Miller and other members of the UMW negotiating committee and tomorrow morning at 8 o'clock with the employer negotiation group to seek immediate resumption of the negotiations.

The primary purpose of your call to Messrs. Meany and Fraser is to apprise them personally of your grave concern about the situation and to seek their advice as to other steps that might be taken to resolve the stalemate.

2. Tomorrow morning, Jody would announce that you have directed Ray Marshall to consult with the negotiation parties and to exert every effort to reestablish and

facilitate the collective bargaining process. In effect, this would constitute a clear signal from you of the escalation of the matter from the Federal Mediation and Conciliation Service to the Secretary of Labor.

3. At Ray's meeting with Miller and members of the union negotiating committee tonight, (which lasted from 5 p.m. to 7:10 p.m.) he was unable to persuade them to enlarge the negotiating committee, but they did agree to keep the Bargaining Council in town and to consult with them more closely as the negotiations went forward. Miller is meeting with the entire Council tomorrow morning at 10 o'clock to brief them on his meeting with Ray and to recommend resumption of the negotiations.

4. Tomorrow morning at 8 o'clock, Ray will meet with the employer negotiating group to try to persuade them to return to bargaining. Ray thinks that that meeting will last until 9:00 or 9:30 a.m. No later than 9:30, he will call me to report on the meeting and to get clearance to announce to them, and simultaneously to Miller, a meeting with you tomorrow afternoon. Miller could then also make the announcement to the Bargaining Council at his meeting with them at 10 a.m.

5. We recommend that tomorrow afternoon you meet briefly with Ray Marshall and both negotiating committees. (Each negotiating committee has six negotiators plus a lawyer.) The purpose of the meeting would be for you to urge upon the parties the critical national interests that depend on their reaching a settlement promptly. You would tell them that you have asked Ray personally to facilitate their collective bargaining process in every way possible and you would ask them to convene their negotiations over at the Department of Labor and to continue the negotiation non-stop until a settlement is reached. You would also say that you have asked Ray to report to you twice a day at noon and 6 p.m. about the progress of the negotiations.

The purpose of this dramatic and immediate Presidential activity is two-fold:

1. To show strong Presidential leadership before major lay-offs and other unemployment impacts begin to be felt in the affected region. Even if an immediate settlement were reached, those impacts would begin to be felt by the end of this week; and

2. To shift the focus of press and public attention away from you and on to the negotiating parties so that they will feel the full weight, not only of Presidential attention, but of public and press opinion. In effect, we want to shift the burden of "going forward" and of resolution away from you and on to the negotiating parties.

All of us are concerned that if you do not act decisively and immediately (even though there are obvious risks in the actions we are proposing), we will appear to be "sitting around hoping for something good to happen." We also unanimously agree that this course of action has the greatest chance of accelerating movement toward settlement. Pursuing this course of action would also lay the groundwork for the use of a Taft-Hartley injunction as an absolute last resort. Since all of us have low expectations of the efficacy of an Taft-Hartley injunction, we want to do everything feasible to avoid having to turn to that remedy. Obviously, if all else fails, we will have no choice but to seek the injunction.

CC: H. Jordan
J. Powell
F. Moore
J. Schlesinger
R. Marshall
L. Butler

THE SECRETARY OF DEFENSE
WASHINGTON

FEB 13 1978

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MEMORANDUM FOR THE PRESIDENT

I thought you would like to know that Graham Claytor is planning to keep Admiral Kinnaird McKee as Superintendent of the Naval Academy for one more year. (McKee's nomination for promotion to vice admiral has already been forwarded to you.)

Harold Brown

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

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MINUTES OF THE CABINET MEETING

Monday, February 13, 1978

The forty-second meeting of the Cabinet was called to order by the President at 9:02 a.m., Monday, February 13, 1978. The Vice President was absent. All Cabinet members were present except Attorney General Bell, who was represented by Associate Attorney General Michael Egan; Mr. Blumenthal, represented by Treasury Deputy Secretary Robert Carswell; Mr. Vance, represented by Under Secretary of State Philip Habib; and Ambassador Young, represented by his Executive Assistant Anne Forrester Holloway. Other persons present were:

Zbigniew Brzezinski	Dick Moe
Landon Butler	Frank Moore
Hugh Carter	Dick Pettigrew
Doug Costle	Frank Press
Stu Eizenstat	Charles Schultze
Jane Frank	Jay Solomon
Rex Granum	Stansfield Turner
Richard Harden	Charles Warren
Robert Lipshutz	John White
Bunny Mitchell	Jack Watson

The President welcomed Mr. Habib, who has recently recovered from a heart attack, and called him "one of the great men of our country."

1. Mr. Habib said that Israeli Prime Minister Begin's statements yesterday taking issue with Mr. Vance were significant. He called them a reaction to the recent visit of Egyptian President Sadat. The remarks signal that we are "clearly in the next round" of Middle East negotiations. He noted that Israeli Foreign Minister Dayan will be in Washington this week.

-- Last week four foreign ministers met with the Southwest African Political Organization (SWAPO) and the

South African government on Namibian independence. Despite negative press reports, Mr. Habib said that the U.S. is not at all disappointed with the talks. All of the major issues were discussed. South African Foreign Minister Botha had narrow instructions from his government on the role he could play in the discussions; others present at the meeting presented a united position on the number and location of South African troops that could remain in Namibia.

-- Mr. Habib said that the ten-day old Cuban/Ethiopian campaign is successfully rolling back the Somalis. He reported that some parties are still working for an international settlement of the dispute.

2. Mr. Andrus said that with the help of Mr. Lipshutz and others, Interior is moving towards a negotiated settlement in at least three Indian disputes. These efforts may set a precedent to minimize litigation in the future.

3. Mr. Califano said that hearings on the funds for higher education went well, and that there may be a bill within sixty days. Mr. Califano will testify against the tuition tax credit before Congressman Ullman's committee tomorrow and hopes that some committee members--possibly including Ullman--may concur with the Administration's position. He noted that Catholics are urging the President to fulfil his campaign commitment to aid non-public elementary and secondary schools. He noted that if a tuition tax credit is provided in this instance, there will also be pressure for tax deductions for Sunday schools.

-- He announced an anti-fraud program with Mayor Koch in New York City on Saturday. He said that Mayor Koch appears to be willing to take on the "encrusted bureaucracy" in his city and predicts that fraud will be reduced substantially there.

-- He will announce tomorrow a reduction in the error rate for the Supplemental Security Income Program that aids the aged, blind and disabled.

-- Mr. Califano still believes that we can do something about the Administration's hospital cost containment bill. He is preparing some materials for the President's forthcoming meeting with Congressman Rostenkowski; the President said that he is eager to help.

4. Mr. Schultze said that he and Messrs. McIntyre and Blumenthal have completed the first round of testimony on the Administration's economic program. Many comments and criticisms on the package were made, but no substantially different approach has emerged that could satisfy the goals of holding down the deficit while also stimulating the economy, creating new jobs and containing inflation.

-- Mr. Schultze noted that there is late recognition of the need to use some general revenues for Social Security; he suggested that the matter be reconsidered next year. Mr. Califano noted that the President's proposed financing plan for the Social Security system would have cost \$36 billion less than the legislation enacted by Congress. Mr. Adams said that Social Security and other trust funds are now perceived as regressive, in contrast to general revenue sources which are progressive. He suggested that Cabinet members who are asked about the subject in testimony on the Hill should underscore that point.

5. Dr. Brzezinski said that the NSC Special Coordination Committee took the following actions on the African Horn: called publicly for withdrawal of the Somalis from the Ogaden; requested the Soviets and Cubans to withdraw, since their presence is inhibiting the Somali withdrawal; and took a clear stand on the inviolability of the Somali frontier. He said that the entire issue remains highly sensitive.

-- The recent Soviet statement on SALT is important and authoritative. It was probably precipitated by the visit of a high-level Soviet delegation to the U.S. Dr. Brzezinski believes that the statement has a double-edge: to generate the best possible SALT agreement and to increase pressure for an agreement.

6. Mr. Marshall said that the coal strike negotiations are in a critical stage. One reason the UMW Bargaining Council rejected the proposed settlement was the news of the coal emergency situation in the East Central states, which prompted them to believe that they could negotiate a better agreement. He said that Dr. Schlesinger is gathering data to establish 1) where the most critical coal supply shortages exist; and 2) where the best coal supplies are. The President, Ms. Kreps, Messrs. Strauss and Marshall discussed future Administration actions with respect to the coal strike situation.

7. Mr. Carswell said that Mr. Blumenthal is still scheduled to testify on the New York City situation on February 23 before Congressman Moorhead's subcommittee. He noted, however, that "more slippage" had occurred as a result of the unanimous statement recently released by Senator Proxmire's committee to the effect that New York City does not need more federal aid. Treasury officials are continuing to meet with New York City financial people and others in preparation for the House testimony.

8. Mr. Egan said that the Attorney General is attending the American Bar Association mid-winter meeting in New Orleans.

9. Mr. Bergland said that the international wheat negotiations are beginning in Geneva. Nothing significant is likely to occur until after the French elections since France is a major wheat producer and exporter.

-- Mr. Bergland was in Paris on Thursday and Friday attending an Organization of European Community Development (OECD) meeting. He reported that the discussions were very useful and included the role of commodity agreements, reserve policy, market entry, and adjustment assistance. Mr. Bergland said that he made it clear that the U.S. would not continue to be the world's "economic shock absorber."

-- The President asked whether there is substantial pressure in Congress for more farm legislation. Mr. Bergland said that, in his judgment, the pressure is not serious. He added that the price of wheat and grain is up 50¢ a bushel in the last six months, and that implementation of the new storage arrangements will increase the price even more. The U.S. will exceed all international records in tonnage of soybeans and feed grains this year. Wheat tonnage will remain the same. He added that since Canada and Australia (but not the U.S.) are exporting wheat to the Peoples Republic of China, other markets are opening up for U.S. wheat.

10. Ms. Harris said that she also attended the American Bar Association meeting in New Orleans.

-- She said that the Governors of Connecticut and Massachusetts are pleased with federal efforts to provide disaster assistance in their states. She commended the excellent interagency cooperation on disaster relief. She

expects a disaster request for ten counties in California, including Mono County which is snow-bound.

11. Dr. Schlesinger said that the natural gas conference committee appears to be in "reasonably good shape." He said that an agreement might already have been reached if it were not for the Congressional recess.

-- He said that the East Central states face a "catastrophe" in early April unless the coal strike is settled. He described the various actions and adjustments that can be taken by the state and federal governments as "basically palliative" in nature. He added that Governors of the affected states are reluctant to order mandatory industrial curtailments because they do not want to be in the posture of "causing" job layoffs. They are also, in some cases, providing insufficient law enforcement protection for the movement of coal. The public utility companies are reluctant to acquiesce in shipments of higher-cost power into their regions where there is a shortage for fear of adding to the fuel costs of consumers; maximum use is not being made of inter-ties, and the President's authority is limited in the absence of enactment of the national energy plan. Dr. Schlesinger said that virtually no shipments of coal are reaching utilities in the critical states. DOE is looking for coal cars to ship western coal into these states, but has found that many are on stand-by in the East. He expects that if the strike continues, four to five million people could be out of work within four to six weeks, "a political as well as an economic disaster." He said that the situation would also cause longer-term problems in the East Central region which is 90% dependent on coal.

12. Ambassador Strauss said that Deputy Special Trade Representative Alan Wolff is in Australia and New Zealand discussing trade matters.

-- Trade discussions have also been held with the Indians as a follow-up to the President's trip.

-- He said that numerous groups are lobbying in Congress for increased protectionism, and that similar pressures are being felt on the international scene. He described the situation as "deteriorating" and said that the best thing for us to do is to continue a "reasonable, enlightened trade posture."

13. Mr. McIntyre said that his FY 79 budget testimony has concluded, and that the budget was generally well-received in Congress.

-- He is working with Senators Ribicoff, Javits and Williams concerning the role that the Human Resources Committee will play in reviewing the Administration's civil rights reorganization plan. OMB has now worked out a solution with them to hold an informal session after Congress reconvenes and before the plan is submitted, to be followed by sending the plan up and referring it to the Governmental Affairs Committee. The President said that he asked the Vice President and Mr. Jordan to review the plan with interested Cabinet members. Mr. McIntyre pointed out that there have been extensive discussions with DOL and HEW. Mr. Marshall added that DOL's only reservation concerns the transfer of jurisdiction for the Equal Pay Act to EEOC. He recognizes and appreciates the civil rights groups' desire to have a unified approach and simply wanted the President to be aware of DOL's long-standing jurisdiction over all wage and hour laws. Mr. Marshall added that DOL has never asked the Human Resources Committee to hold separate hearings on the plan, and that he has made this point clear to the Chairman of the Committee, Senator Harrison Williams.

14. Mr. Adams said that hearings will be held tomorrow on Conrail. DOT is supporting interim financing and believes that comprehensive railroad legislation should be deferred until next year.

-- DOT Deputy Secretary Alan Butchman is in London at international negotiations on oil spills and tanker safety. Our position is that the U.S. will proceed unilaterally with legislation on segregated ballasts or double bottoms if an international agreement cannot be reached on these subjects.

-- He said that the rail situation overall continues to deteriorate, and he reiterated his view that legislation on the subject should wait until next year.

15. Ms. Kreps said that she had nothing to report.

16. Dr. Brown said that 119 military aircraft flights moved 1,200 Army Engineer personnel to Massachusetts, Connecticut and Rhode Island during the recent snowstorms. More flights and forces are available if needed.

-- He testified for four days, morning and afternoon, last week on the DOD budget. He assessed the reaction of the various committees as "less hostile than expected."

-- He described the recent visit of the Belgian Defense Minister and the split in views of that government concerning Belgian participation in the HAWK defense belt.

-- He will spend Thursday through Saturday in Hawaii consulting with the Pacific Command and will review our force posture as well as plans for the withdrawal of U.S. troops from Korea.

17. Ambassador Strauss urged that Cabinet members spend time with second and third-level people in their departments discussing the possible frustrations arising out of the failure to enact parts of the Administration's programs and stressing the need to avoid unnecessary confrontations.

18. The President asked the Cabinet to continue its efforts on the Panama Canal treaties. He said that it will be difficult to get the last 10 to 12 votes needed to assure Senate ratification. In the President's discussions with Republicans, he stresses the need for bipartisanship; the support of former President Ford, Vice President Rockefeller, and Secretary of State Kissinger; the support of the Joint Chiefs of Staff who were appointed by a Republican Administration; and the advantage of taking a worldwide perspective as against pursuing parochial interests. With Democrats, he underscores the importance of party unity and the devastating effect that defeat of the treaties would have for the Administration. He said that the public opinion polls are slowly turning in our direction, although he added that those who are opposed to the treaties are more vocal than those who support them. He commended and expressed his appreciation for the excellent help being given by former President Ford, Vice President Rockefeller and Secretary of State Kissinger. There is widespread business community support for the treaties, and Senators Byrd and Baker have committed their support to ratification of the treaties.

-- The President said that we are proceeding with development of the Administration's urban policy, and that the policy will be announced in March. He noted a recent New York Times editorial which suggested that the Administration should point out how much it has done for the nation's cities in its first year under the leadership of Secretaries Kreps, Harris and Marshall. He also said that a successful urban policy will have to rely, in large part, on the active participation and support of state and local

governments and the private sector. The President cautioned that we will not solve the nation's urban problems overnight, or perhaps even in this generation, and that we must commit ourselves to long-range, as well as immediate, efforts.

-- The President said that he will be working on water policy review with Mr. Andrus in the next few weeks.

-- He said that Mr. Vance will announce tomorrow an arms sales package for the Middle East.

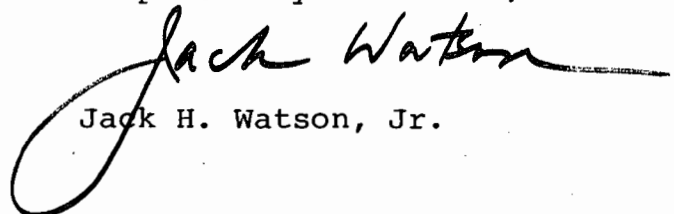
-- He asked Ms. Kreps and Messrs. Marshall and Schlesinger to do everything possible to alleviate the coal problem and to give him a calendar of when various actions will be taken.

-- The President asked for the Cabinet's support of the Defense budget.

-- The President will spend the forthcoming Congressional recess meeting with many key committee chairpersons. He asked Cabinet Secretaries to check with Mr. Moore if they have particular points they want him to raise. He expects the meetings to be beneficial and urged Cabinet Secretaries to have similar meetings with committee chairpersons and other Members of Congress. He suggested that Congresspersons be invited for breakfast or lunch or to Cabinet members' homes. Messrs. Bergland and Adams concurred in the importance of such visits. They also emphasized the value of Cabinet contacts with key Congressional staff persons and of even brief, casual visits to Congressional offices.

The meeting was adjourned by the President at 10:47 a.m.

Respectfully submitted,

A handwritten signature in black ink, reading "Jack H. Watson, Jr.", with a large, stylized flourish at the end.

Jack H. Watson, Jr.

cabinet meeting 2/13/78

THE WHITE HOUSE
WASHINGTON

Regin's statement

Namibia - NY/mtg - not too bad

Ogaden - Ethiopia moving

— Burdick re Panama
Indian settlement in Maine?
NW fish? Arizona H2O Hgpis✓

— H. Ed - hearings good - Bill 60 days
Catholic Elem/sec aid
NYC - Anti-fraud re welfare
SSI error rate \downarrow 63 \rightarrow 5 $\frac{2}{6}$ mos
Hosp cost containment

— Econ pkg - no alternative seen
Soc Sec - gen rev contribution
admin posit #38 B.1 less than Cong.
Trust funds very regressive

— SU SALT statement (Ponomarev)

THE WHITE HOUSE
WASHINGTON

Coal strike - critical
T-H not yet justified

NYC - 2/23 hearings - Sub Com (-)
Morehead doubtful

Int wheat - Geneva mty today
Can't disturb France election
Former embargo still ~~help~~ hurt

ABA - 20% or 50% incompetent atty's
Snow disaster response - good

Nat gas conference - +
E Cent states - catastrophe in April
Gov's moving away from problem
re indus. commitments &
Phys. violence threat
Can wheel 10% elect power max
Production 12 mil tons → 5 mil tons
early Apr - 5 mil unrenew
Casts doubt on reliability of coal

THE WHITE HOUSE
WASHINGTON

Cabinet - 2/13/78

- > Panama - Ariz
- > Energy
- > Cost containment - hosp
- > Urban policy
- > H₂O policy
- > Arms sales to M East
- > Coal
- > Defense budget
- > Staff briefings

THE WHITE HOUSE
WASHINGTON

- Trade - protectionism ↑ worldwide
- Budget - tax - Corp in quandary
- > Civ Rts reorg - Committee struggle
(William - Tawie - R. bicoff)
- No RR bill in 1978
- Agot & British on oil tanker spills
(double bottom)
- 119 DoD flights in NE area
- B-1 - Navy ships, NATO, etc ?
- Add to NATO, skip on Navy?
- Belgian Hawk defense ?